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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS.  
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## COOPERATIVE MARKETING OF EGGS INCREASING

Thirty per cent more eggs were marketed cooperatively in 1925 than in 1924, according to recent estimates by the United States Department of Agriculture. The increase was due to two reasons: first, many of the old associations engaged in the cooperative marketing of eggs received larger quantities from their members in 1925 than in 1924, and, second, a number of recently formed organizations reached their full stride as marketing agencies during the latter year.

Figures are at hand for both 1924 and 1925 for enterprises handling a large fraction of the eggs marketed cooperatively, and these show on the whole an increased volume of business, although in some sections of the country the associations suffered a decrease in volume of business. Gains are particularly noticeable in the reports received from Missouri, where a large portion of the output of the farm flocks is marketed through the county exchanges and the centrally established assembling and packing plants which have been developed especially to serve the farmers in marketing surplus eggs and poultry.

The Minnesota Egg and Poultry Exchange is largely responsible for an increase in the quantity of Minnesota eggs marketed cooperatively. This association was formed in 1924 and began operating during the latter part of that year. It is a federation of 17 local units with 22,000 members. In 1925 it handled a larger number of cases of Minnesota eggs than had ever before gone through cooperative channels.

During the past year newly formed associations began operating at Hannibal, Mo., Portland, Maine, and Wauseon, Ohio. One association which was active in 1924 went out of business before the close of 1925. It was engaged in selling New Hampshire eggs on the Boston market.

Fifty-eight creameries, elevators and stores have reported the marketing of eggs in 1925 as service to their members. Undoubtedly several times this number have assisted their patrons in assembling and shipping small lots of eggs.

Producer-owned and cooperatively operated sales agencies in the consuming markets of New York, Detroit, Chicago, St. Louis, Los Angeles, and San Francisco, have marketed large quantities of eggs for cooperative associations located in the producing regions.

MINNESOTA CREAMERY HANDLES EGGS AND POULTRY

An egg station operated by the Lake Park Creamery Company, Lake Park, Minn., received during 1925, a total of 71,730 dozens of eggs. Total sales were slightly over \$20,300. Operating expenses for the year amounted to \$2,055 which was a cost of about 2.9 cents a dozen. The largest items of expense were, supplies, \$873; manager's salary, \$322; assistant manager, \$322; and office labor, \$162. At the end of the year there was a surplus of \$345 in the egg account. Poultry sales for the year were \$7,307 which were made at an expense of about \$240.

The Lake Park Creamery Company is now in its twentieth year. Its specialty is the production of pasteurized sweet cream butter.

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MANITOBA COOPERATIVE MARKETS EGGS AND POULTRY

Sales of eggs and poultry by the Manitoba Cooperative Poultry Marketing Association, Ltd., Hartney, Manitoba, for the year ending February 24, 1926, amounted to \$363,475, according to the annual report. Egg sales were \$157,116; dressed poultry sales, \$192,993; and live poultry sales, \$13,365. Producers were paid \$126,401 for eggs, 80 per cent of sales; \$175,773 for dressed poultry, 91 per cent of sales; and \$10,481 for live poultry, 78 per cent of sales.

Egg receiving stations are maintained at five points. The marketing system is based upon contracts with both producers and merchants. A cooperative collecting system has been developed which provides for the pooling of freight charges over the entire area, weekly shipments, and refrigerator service during the hot weather.

The policy of the association is definitely set forth in the following paragraph from the report covering the 1925 season:

Cooperation with this association means: cooperation with producers and merchants, who do their best to market only a high grade finished product; cooperation with the railway companies, who give courteous and efficient service in the transportation of a highly perishable product; cooperation with the Provincial extension service and the Agricultural College, who carry on practical educational work in the interest of the product, and who assist the association in field work; cooperation with the Dominion Livestock branch, who provide courteous and efficient inspectors and graders; cooperation with the large distributors who distribute the product on the consuming markets of this continent; cooperation with all co-operators who believe that the cooperative system is the best system; who are earnestly and honestly endeavoring to develop the system to the highest degree of efficiency and service in the interest of the producer.

WISCONSIN CHEESE FEDERATION MAKES REPORT FOR LAST YEAR

Cheese sales during 1925 were the largest in the history of the Wisconsin Cheese Producers' Federation, Plymouth, the total amount exceeding six and one-half million dollars. Nearly 97(96.86) per cent of this large sum was paid to the member-factories of the federation according to a statement made at the recently held annual meeting. Handling and selling expense was 2.63 cents for each dollar of sales, and the "in" freight paid was 0.51 cents for each dollar.

The net margin resulting from the years business was \$53,445, which is to be held for working capital. Certificates of indebtedness bearing 5 per cent interest and running for six years are to be issued to the local factories on the basis of one-tenth of one cent for each pound of cheese.

The average price paid the local factories for cheese during the 12 years that the federation has been operating has ranged from approximately 14 cents a pound in 1914 to 30 cents in 1919. The 1925 average was 21.63 cents. Figures for the various years are as follows:

Year	:	Cents	::	Year	:	Cents
1914	:	13.96	::	1920	:	25.71
1915	:	14.70	::	1921	:	18.02
1916	:	17.13	::	1922	:	19.23
1917	:	23.53	::	1923	:	22.62
1918	:	26.24	::	1924	:	18.36
1919	:	30.10	::	1925	:	21.63

The growth of the business handled by the federation is shown by the figures in the table below:

Year	:	Cheese sold	:	Sales	:	Assets	:	Capital
	:	Pounds	:Index		:	Amount	: Index	turnover
1914	:	6,108,450	: 100	\$ 873,618	:	\$ 22,449	: 100	38.9
1915	:	7,509,692	: 123	1,132,857	:	52,334	: 233	21.6
1916	:	7,426,583	: 122	1,304,640	:	75,689	: 337	17.2
1917	:	9,015,317	: 148	2,171,528	:	104,221	: 464	20.8
1918	:	8,585,438	: 141	2,322,536	:	129,969	: 579	17.9
1919	:	13,920,839	: 229	4,306,593	:	234,533	: 1045	18.4
1920	:	13,906,585	: 228	3,686,130	:	290,696	: 1295	12.7
1921	:	14,939,917	: 245	2,794,964	:	402,110	: 1791	7.0
1922	:	18,646,263	: 305	3,790,219	:	550,142	: 2451	6.9
1923	:	23,912,473	: 391	5,577,130	:	806,410	: 3592	6.9
1924	:	28,496,198	: 467	5,475,677	:	576,538	: 2568	9.5
1925	:	29,893,853	: 473	6,321,920	:	872,123	: 3885	7.5

Among the assets was listed \$35,000 for land and buildings, and \$19,700 for warehouse equipment. Net worth of the federation was \$105,000 on December 31, including capital stock of \$2,520, surplus, \$78,900, and certificates of indebtedness, \$23,800. (See Agricultural Cooperation, March 24, 1924, p. 101.)



MINNESOTA COOPERATIVE IMPROVES QUALITY OF PRODUCT

Land O'Lakes Creameries, Inc., Minneapolis, formerly Minnesota Cooperative Creameries Association, has made a remarkable showing in the matter of improving the quality of the product which it markets, namely, butter. Early in 1925 a drive in behalf of a better product was undertaken, through the association's 16 field men. A program of cream grading was inaugurated at every creamery which could be interested. In addition, special field men were sent out to work with the farmers producing the cream. A campaign for the use of cream-cooling tanks on dairy farms was launched and farmers were urged to deliver cream while it was still sweet. "Diplomas of Merit" were issued to those cream producers who delivered 50 per cent or more of their cream sweet and of such quality as would make 93 score butter. Farm signs for the roadside gate reading, "This farm produces Land O'Lakes sweet cream," were given producers meeting the requirements. Circulars were sent to cream producers and butter makers urging them to improve the quality of the product handled by each. Reports on every churning of butter inspected by federal state butter inspectors were sent to the buttermakers. A laboratory was established for making tests as to composition, purity and keeping quality.

As a result of the intensive work, the number of creameries making 50 per cent or more of 93-score, sweet-cream butter increased from 80 to 220. The quantity of 93-score butter made increased from 1,800,000 pounds to 4,200,000. The percentage of all association butter which was 93-score or better increased and the per cent of butter which was 90-score or below decreased. The figures month by month are as follows:

Months	: Number of : creameries : which made : 50 per cent : or more : 93-score : sweet cream : butter	: Pounds of : 93-score : butter : made : monthly	: Index: : number	: Per cent : of butter : inspected : which was : 93-score : or higher	: Per cent : of butter : inspected : which was : 90-score : or below
(1925)	:	:	:	:	:
January	: --	: ---	: ---	: 40.5	: 15.4
February	: 80	: 1,828,235	: 100	: 32.4	: 19.2
March	: 98	: 2,336,242	: 128	: 34.8	: 18.8
April	: 110	: 2,820,928	: 154	: 40.6	: 18.2
May	: 119	: 4,238,938	: 232	: 47.2	: 16.9
June	: 120	: 3,766,615	: 206	: 37.1	: 24.7
July	: 120	: 3,638,202	: 199	: 39.8	: 22.7
August	: 127	: 2,708,416	: 148	: 40.0	: 21.0
September	: 151	: 2,133,247	: 117	: 43.0	: 20.4
October	: 172	: 2,272,617	: 124	: 53.0	: 14.6
November	: 172	: 2,315,978	: 127	: 52.2	: 13.5
December	: 179	: 2,803,429	: 153	: 51.6	: 12.6
(1926)	:	:	:	:	:
January	: 205	: 4,102,394	: 224	: 62.4	: 8.2
February	: 220	: 4,212,112	: 230	: 61.0	: ---

OVER ONE-HALF BILLION BUSHELS OF GRAIN MARKETED

In submitting the 19th annual report of the United Grain Growers, Ltd., Winnipeg, Canada, the president of the organization said in part:

In the years that have come and gone since the conception first took root, in 1906, of a company to be owned by farmers, controlled by farmers and developed by farmers for the marketing of their grain, many changes have taken place..... Upon the foundations laid in turmoil and strife almost 20 years ago, a business has grown up beyond expectations or dreams. It is not too much to say that the success of the old company in the first five years of its history, gave an inspiration and confidence which made possible the further cooperative efforts the farmers of Western Canada have so successfully inaugurated in more recent years.

During the 19 years that the United Grain Growers, Ltd., and its predecessors have been functioning, a total of 532,927,703 bushels of grain have been marketed, exclusive of the grain handled by the terminal elevators and the exporting company.

For the year ending August 31, 1925, the farmer-owned enterprise received 30,355,532 bushels of grain. At the close of the year it was operating 397 local grain elevators. Of this number it owned 173 elevators located in Alberta, 65 located in Saskatchewan, and 81 located in Manitoba, a total of 319. It was operating under lease from the government of the Province of Manitoba, 78 elevators. In addition to its elevators the company owned flour and general warehouses at 257 points, coal sheds at 203 points and supply sheds at 7 points in the three prairie provinces. It owned and operated through a subsidiary company a lumber manufacturing enterprise. It was the owner of the Public Press, Ltd., a publishing house which issues the Grain Growers' Guide. The land, buildings, machinery, equipment, furniture and fixtures owned by the company were valued at more than \$5,200,000.

The company's supply department handles binder twine, coal, flour, feed, wire fencing and oils.

Two export companies have been created to handle the grain marketed in foreign countries. One of these operates under a Canadian charter and has headquarters at Winnipeg. The other is formed for handling business in the United States and has its principal office in New York City.

A subsidiary company, the United Grain Growers' Securities Company, Ltd., is engaged in conducting an insurance business. During the past year there was a considerable increase in the amount of hail insurance handled for growers.

For several years livestock was marketed for members of the company. However, in 1924 a separate corporation financed by the United Grain Growers, Ltd., was formed and took over the livestock business. (See Agricultural Cooperation, August 31, 1925, p. 367.)

Gross revenue of the United Grain Growers for the 1924-25 year was \$2,667,469. Expenses for the year were \$2,248,895 and profits, \$418,574. Expenses for the past eight years were as follows:

Year	Gross revenue	Expense
1917-18	\$3,047,396	\$2,585,691
1918-19	2,851,577	2,711,161
1919-20	3,423,212	2,963,931
1920-21	3,740,678	3,506,934
1921-22	2,427,293	2,545,644
1922-23	2,766,700	2,234,528
1923-24	3,291,594	2,739,161
1924-25	2,667,469	2,248,895

Figures are given below showing the total number of bushels of grain marketed for each of the 19 years the company has been functioning, also the amount of paid-up capital stock and the profits earned for each year.

Year	Grain marketed		Paid up capital		Profit
	Bushels	Index	Amount	Index	
1907/a	2,340,000	---	\$ 11,795	---	\$ 790
1908/e	4,990,541	---	20,385	---	30,190
1909/a	7,643,146	---	120,708	---	52,902
1910/a	16,332,645	---	292,957	---	95,663
1911/a	18,845,305	---	492,062	---	69,575
1912/a	27,775,000	---	586,472	---	121,614
1913/a	29,975,000	---	645,361	---	164,332
1914/b	33,694,621	---	873,048	---	168,296
1915/b	23,860,502	---	1,031,291	---	255,789
1916/b	67,695,976	---	1,374,916	---	855,288
1917/b	44,097,885	---	1,921,071	---	844,401
1918/c	29,379,672	100	2,159,763	100	441,760
1919/c	22,203,007	74	2,415,185	112	148,549
1920/c	24,503,237	82	2,608,547	121	463,675
1921/c	36,581,371	122	2,765,685	128	233,743
1922/c	31,545,776	106	2,810,561	130	118,350
1923/c	32,944,668	110	2,821,305	131	532,171
1924/c	47,163,179	158	2,857,984	132	552,433
1925/c /e	30,855,532	103	2,890,627	134	418,574

/a Grain Growers' Grain Company, Ltd. /b Grain Growers' Grain Company, Ltd., and Alberta Farmers' Cooperative Elevator Company, Ltd. /c United Grain Growers, formed by a consolidation of the Grain Growers' Grain Company, Ltd., and the Alberta Farmers' Cooperative Elevator Company, Ltd. /d Loss.  
/e Year ending August 31.

On August 31 there were 35,441 shareholders, whose share capital and the surplus amounted to \$4,671,412.



COOPERATIVE GRAIN SALES AGENCY FOR THE SOUTHWEST

Tentative plans for a central sales agency for the wheat growers' associations of Texas, Oklahoma, Kansas, Nebraska and Colorado were adopted at a meeting held recently at Wichita, Kans. The associations in these five states handle a considerable portion of the grain produced in the hard winter wheat belt. The plans provide for ten directors, two from each state association. It is proposed that the agency maintain branch offices in the important markets in the five states.

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NORTHWESTERN AGENCY TO SELL GRAIN ON TERMINAL MARKETS

Under date of February 15, 1926, articles of incorporation for the Northwestern Grain Marketing Company, Minneapolis, were filed with the Secretary of State of Minnesota. This company has been organized as a "grain merchandising" enterprise to serve the farmer-elevators and grain growers of Minnesota, North and South Dakota and Montana. Needed capital is to be obtained through the issuing of capital stock. The company is authorized to issue non-voting preferred stock to the amount of \$1,000,000 and "common membership stock" to the amount of \$100,000. Shares of preferred stock have a par value of \$10 each and are entitled to draw cumulative dividends at the rate of 6 per cent per annum. In the case of the dissolution of the company the holders of preferred stock will have preference to the amount of their stock holdings and unpaid dividends.

Common membership stock can be issued or transferred only to persons engaged in the production of agricultural products and when a person holding shares of such stock shall cease to be an agricultural producer, the board of directors may cancel the stock, refunding the par value of the shares plus any earned dividends or surplus.

Provision is made for a board of directors consisting of from seven to nineteen directors serving for two years. The first board is composed of seven directors, four from Minnesota, and one each from North Dakota, South Dakota and Montana.

It is the purpose of the organizers to create a cooperative terminal sales agency which will serve the grain elevators of the four states, and the district, state and regional wheat pools. In order to secure the volume of grain necessary for efficient operation the company will "engage in the buying, selling, handling and shipping of grain and other agricultural products of non-members," up to a quantity equal to that handled for members.

It will be one of the objects of the company, according to its by-laws, "to federate such cooperative elevator associations in a common effort in financing, increasing membership and volume of business in their respective territories, and to co-ordinate the effort of the grain growers and their local associations in securing better service and a better price in the terminal grain markets of the country."

### JERSEY EXCHANGE SELLS POTATOES AND BUYS FERTILIZER

Marketing potatoes and purchasing fertilizer and potato sacks, are the main lines of business of the Monmouth County Farmers' Exchange, Freehold, N. J. The organization is a stock company formed in 1908 to sell potatoes and other produce for its members. At that time it had 500 members and a paid-in capital stock of \$7,000, and potatoes were shipped from 9 stations. The membership has grown to nearly 1,600, the paid-in capital stock has increased to \$175,990, and more than 30 shipping stations have been established.

Early in its history the exchange took steps to obtain a uniform grade of potatoes from the growers in the absence of any law requiring the grading of their product and fixing a standard for grades. Potato graders were installed at the various stations, resulting in better service to customers and better prices to growers than for ungraded stock. Potatoes are handled in 150-pound sacks and considerable sums have been saved to the members by purchases of sacks in large lots by the exchange.

Several extra dividends have been declared, including a stock dividend of 100 per cent, payable in February of 1917; also patronage refunds at different times; and a profit-sharing dividend to employees, amounting to \$2,850, payable in May of 1918.

Available figures regarding amount of business, capital stock outstanding, and dividends on stock, are given below:

Year	Amount	Capital	Dividends on stock
ending	of	stock	Per : Amount
Nov. 30	business	outstanding	cent :
1908	\$ 54,414	\$ 7,000	-- : -----
1911	-----	74,285	-- : -----
1912	941,765	75,195	5 : \$ 3,746
1913	1,053,256	75,450	6 : 4,518
1914	1,323,443	75,450	7 : 5,281
1915	1,254,613	75,450	8 : 6,036
1916	2,397,432	75,450	9 : 6,790
1917	2,363,431	151,590	6 : 9,095
1918	-----	151,770	7 : 10,623
1919	-----	151,950	7 : 10,636
1920	-----	159,955	8 : 12,166
1921	1,758,888	175,920	8 : 14,073
1922	1,428,260	175,975	8 : 14,078
1923	1,020,803	175,990	8 : 14,078
1924	905,776	175,990	8 : 14,079
1925	-----	175,990	9 : 15,839

NORTH CAROLINA COTTON ASSOCIATION PREPARING EXHIBIT

A unique educational exhibit is being prepared by the North Carolina Cotton Growers' Cooperative Association, Raleigh, for the Eastern Carolina Exposition at Greenville, in April. Actual bales of cotton of different grades and staples will be shown and the grading and classing will be done at the association's booth to emphasize the importance of using selected seed of suitable types and the danger of using poor seed.

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FOUR COTTON STATES ARE BEGINNING NEW SIGN-UP CAMPAIGNS

Cotton marketing associations of four states are beginning new sign-up campaigns as the 1926 crop is the last one covered by the present contracts. These four states are North and South Carolina, Georgia and Alabama. Initial meetings in the various states have been well attended and the response has been very gratifying. Arkansas has adopted a contract and will begin a campaign a little later. In Texas the contracts expired with the 1925 crop and the campaign for new signatures was begun last summer.

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MARCH DISTRIBUTION FOR TEXAS COTTON GROWERS

Checks to the amount of \$2,652,318 were mailed in March to the members of the Texas Farm Bureau Cotton Association, Dallas. This payment covered all classed cotton and brought the advances to actual grade, weight and staple. The association has now paid its members on the 1925 crop the sum of \$17,153,807. Unclassed cotton will be brought to these advances as rapidly as possible. March 31 was the date set for closing the season's cotton business. Any cotton delivered after that date will be handled in the 1926-27 business.

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NEW MEXICO HAS TWO NEW COTTON ASSOCIATIONS

Two new associations of cotton growers have been formed recently in New Mexico. The Mimbres Valley Cotton Growers, Inc., and the Valencia County Okra Leaf Cotton Growers' Association. Both have filed their articles of incorporation and have drawn up by-laws and agreements. The former association is planning this year to give attention to pooling cotton according to grade and staple, and to the control of the incoming and outgoing cottonseed so that the district may continue to be free from quarantine regulations. The other association aims to establish Valencia County with one pure strain of early-maturing, and high-yielding cotton, and then exclude all other varieties from the county. It is proposed to plant 80 acres of the Okra Leaf Acala Cotton this year and to enlarge the membership of the organization as seed becomes available.



NEW WEEKLY FOR WESTERN WOOL GROWERS

A new periodical appearing recently is the "National Wool Exchange Reporter," published weekly at Helena, Montana, by the National Wool Exchange. This organization is a marketing agency owned and controlled by wool growers, and handling the wool from the state associations of Montana, Idaho, Wyoming, Iowa, South Dakota, and various county associations. The exchange has sales offices at Boston, Mass., western headquarters at Helena, Mont., and warehouse facilities at Boston, Chicago, and Portland, Oregon. The four-page weekly is published "to furnish information for the grower and from the grower's point of view."

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REDUCED COST OF MARKETING WOOL FOR NEW YORK GROWERS

Reduced overhead expenses are reported by the management of the New York State Sheep Growers' Cooperative Association, Inc., Syracuse, N. Y., in connection with the marketing of the 1925 wool clip. The clip was the largest handled in recent years and the cost of marketing was the lowest, being but 3.5 cents a pound. A total of 617,467 pounds of wool was consigned to the association by 1,704 growers.

The quantities of wool handled in each of the last six years, and the costs per pound of marketing, are given in the following table:

Year	Wool received	Number	Cost
	Pounds	of	of
	Index	consignors	marketing
			(Cents)
1920	411,929	100	4.3
1921	615,123	149	4.1
1922	532,821	129	3.7
1923	475,000	115	4.35
1924	477,883	116	4.2
1925	617,467	150	3.5

The fine grades of the 1925 wools, including the delaine and half-blood combing grades, are still to be sold.

This association is a federation of 37 county sheep growers' organizations. At the close of the business year, February 28, it had assets amounting to \$7,100, including \$4,300 in a cash reserve.



MARKET INFORMATION GIVEN TO IDAHO WOOL GROWERS

Instructions to growers as to the various ways in which they can market their wool, have been issued by the Idaho Wool Growers' Association, Twin Falls, in the form of a large poster. How to market the wool and where to market it, are discussed and the advantages and disadvantages of the different methods pointed out. How to figure the local price based on primary market price, is carefully explained. In case the wool is not sold locally, three primary market agencies are suggested with information regarding methods and charges of each. Methods of securing loans on wool through the association, are also outlined. This is in addition to the Weekly Bulletin giving information regarding market conditions and prices

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OHIO ASSOCIATION SELLS WOOL FOR THREE STATES

Reports from the Ohio Wool Growers' Cooperative Association, Columbus, show that during 1925 it received approximately four and one-half million pounds of wool from ten thousand wool growers of Ohio, Indiana and Michigan. The number of shippers and the quantities of wool received from each state were as follows:

Ohio .....	7,676	consignors	3,758,049	pounds
Indiana.....	1,705	"	396,241	"
Michigan.....	717	"	335,125	"
Total.....	10,098	"	4,489,415	"

Twelve Ohio counties contributed more than 100,000 pounds each to the 1925 pool.

The following table shows the grades of the wool received, the percentage of total in each grade, the quantities sold, and prices remitted to growers as given in a recently issued report:

Grade	: Wool	: Per cent	: Wool	: Price paid
	: shipped	: of total	: paid for	: growers
			(Pounds)	(Cents)
Delaine	: 1,080,085	: 31.6	: 1,073,085	: 51 - 53.5
French combing	: 163,031	: 4.8	: 163,031	: 46 - 50
1/2 blood staple	: 227,546	: 6.7	: 227,546	: 50 - 52.5
3/8 blood staple	: 489,650	: 14.4	: 474,650	: 47.5 - 50
1/4 blood staple	: 435,127	: 12.8	: 420,127	: 47.5 - 50
Low 1/4 and braid	: 13,756	: .4	: 13,756	: 44 - 45
Clothing wools	: 556,317	: 16.2	: 460,317	: 43 - 46
Seedy and burry	: 84,611	: 2.5	: 84,611	: 40
Fire damaged	: 104,007	: 4.9	: 190,023	: 50
Minor grades and	:	:	:	:
rejections	: 152,322	: 4.5	: 150,322	: --
Feeder lambs	: 40,599	: 1.2	: 40,599	: 44 - 50
Total	: 3,409,051	: 100.0	: 3,298,067	:

BURLEY ASSOCIATION MARKETING FIFTH CROP

Announcement has been made by the management of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky., that checks for the second payment on the 1924 crop will be in the hands of member-growers by April 30 of this year. At the time the crop was delivered, growers were paid more than \$15,000,000. Substantial sums are being advanced on the 1925 crop which is now being delivered by the growers.

Since the association began functioning in 1921 it has received more than 870,000,000 pounds of tobacco. The tobacco received by the association from the crops of 1921, 1922 and 1923 has been settled for in full, the members receiving more than \$106,000,000. The quantity of tobacco delivered to the association for the different seasons and the amounts of the payments made on the first four crops are given in the following table:

Season	: Delivered by growers	: Paid members
	(Pounds)	
1921-22	: 119,914,613	: \$23,449,078
1922-23	: 197,009,743	: 49,426,619
1923-24	: 245,307,781	: 33,832,267
1924-25	: 171,344,953	: <u>/a</u> 15,262,106
1925-26	: <u>/b</u> 140,000,000	: -----

/a Amount paid on delivery. Second payment to be made by April 30. /b Estimated.

Ninety-four receiving plants are being operated by the association. Of these, 83 are owned by the organization, either directly or indirectly, and 11 are leased. The association controls subsidiary warehouse companies which own storage houses with a maximum capacity of 200,000 hogsheads, which means that it is equipped to handle its own tobacco without renting outside space in years with normal crops. Fourteen re-drying machines, located at eleven plants are owned by the association. It is estimated that the real estate, buildings and equipment belonging to the association and its subsidiaries have a value of \$6,250,000. The receiving plants are four-fifths paid for and will be entirely paid for after the delivery of the 1926 crop. The saving in expense in connection with the re-drying machines and the storage houses, it is stated, is sufficient to equal in little more than a year the cost of the equipment.

Two hundred forty-four new members were added to the association during the month of February. Meetings were held in that month by 66 of the community locals, and in addition, two big county meetings were held.

LOUISIANA SUPREME COURT DECIDES AGAINST COOPERATIVE

On January 4, 1926, the Supreme Court of Louisiana decided the case of the Louisiana Farm Bureau Cotton Growers' Cooperative Association, v. Clark, 107 So. 115, in favor of the defendant. The association brought suit against the defendant to compel the specific performance of an agreement entered into by him to deliver to it all cotton owned, produced, controlled or acquired by him during the years 1924 to 1927 inclusive, and particularly a number of bales of cotton of the 1924 crop, and to recover \$3,750 as liquidated damages for cotton which the defendant failed to deliver under his agreement, together with an additional sum of \$1,000 as attorney fees. The defendant was a landlord and all of the cotton of the 1924 crop in question belonged either to his share tenants or was covered by a recorded lien in favor of a bank with the exception of 12 or 15 bales.

The association lost in the lower court and then appealed. The defendant admitted signing the agreement but contended that it was not binding upon him for a number of reasons. He claimed that the statute under which the association was formed was unconstitutional because it embraced more than one subject, while the title was not indicative of such object. In this connection he relied upon the following provision in the constitution of Louisiana:

Every law enacted by the legislature shall embrace but one object, and shall have a title indicative of such object.

The title of the act is as follows:

An act to authorize the formation of associations of producers of agricultural products, and to provide punishment for the violation thereof.

In disposing of this contention the court said:

The act clearly indicates in the title its object, and an examination of the various sections of the act shows that its provisions are germane to the object contemplated, and have been enacted solely for the purpose of carrying this object into effect.

The defendant claimed that the act under which the association was formed was unconstitutional on the ground that it contravened a provision in the constitution of the state with reference to combinations reading in part as follows:

... It shall be unlawful for persons or corporations  
.... to combine or conspire together, or to unite or pool



their interests for the purpose of forcing up or down the price of any agricultural product or article of necessity for speculative purposes.

In answer to this contention the court said:

Upon its face, Act 57 of 1922 does not authorize the making of a contract or the forming of a conspiracy or combination in restraint of trade.

It is therefore incumbent upon defendant to prove that a monopoly has been created, or that trade has been restrained by plaintiff association, in order to annul the agreement signed by him. This the defendant has failed to do.

The defendant also alleged that the contract was unilateral and therefore void for lack of mutuality, but the court pointed out that the association promised to do a number of things as well as the defendant. The defendant asserted that the agreement was void as a purchase and sale agreement because no price was fixed therein. After quoting the language of the statute authorizing associations formed thereunder to enter into marketing contracts the court said:

We are dealing here with a special form of statutory contract, whose nature and legal effect are defined and determined by the act under which the contract has been made between the parties. It is clear, therefore, that such agreement need not conform to the essentials of an ordinary contract of sale as to the certainty of the price. Indeed, it would not be possible to fix a definite price in advance as to the resale of cotton in the future by plaintiff association, and carry out the object for which the association has been organized. To fix the price beforehand would defeat the very purpose of the association in its efforts to obtain the best price under market conditions, as such price might fall below the current price at the date when the association should deem it advisable to sell, thereby entailing a loss upon the grower, or it might prevent the sale entirely if the fixed price should be higher than the market quotation.

In this connection it is interesting to note that the ordinary rules and principles with respect to contracts are the product of the common law, but this fact does not prevent the legislature of a state from changing such rules and principles by statute so long as constitutional requirements are observed. Section 17 (c) of the Louisiana Cooperative Marketing Act reads as follows:



In any action upon any marketing contract of any member with any association existing hereunder, it shall be conclusively presumed, that the products produced by any person, firm or corporation during the period of time covered by such marketing contract, on the land of such member, however and by whomsoever produced, are the products of such member, and as such, are subject to the said marketing contract, if the said products have been grown or acquired under any contract between such member and such other person, firm, or corporation, entered into after the execution of the said marketing contract; and in such actions, the foregoing remedies for non-delivery or breach shall lie and be enforceable against such persons, firms or corporations.

With respect to this provision of the statute, the defendant's final contention was that the marketing agreement was void because it imposed upon him the fulfillment of impossible and illegal conditions in that the agreement sought to obligate him to deliver to the association cotton which he did not own and cotton encumbered by a written act of pledge, in violation of the criminal laws of the state. In holding the section of the statute quoted above unconstitutional the court said that the legislature of the state by enacting said provision had:

made an indirect but clear attempt to deprive tenants of their property in cotton raised under the share system of contract, without notice of such marketing contract, and without due process of law of any kind. Such provision is therefore unconstitutional, null and void as being in contravention of the Fourteenth Amendment to the Federal Constitution.

The tenants of the defendant are third persons as to this marketing contract, entered into by and between defendant and plaintiff association, and the record is barren of evidence to show that these tenants had any knowledge of the marketing agreement of their landlord with said association.

Inasmuch as the defendant offered before the filing of the suit to deliver all of the cotton, twelve or fifteen bales, which the court found that he could control "and as it was not legally possible for him to do more" the court affirmed the judgment of the lower court in favor of the defendant.

L. S. HULBERT.

COLORADO BEAN ASSOCIATION PREPARING FOR BUSINESS

Eight thousand acres of beans are now under contract to the Colorado Bean Growers' Association, Denver, and the membership numbers 150. This acreage represents about 100 car loads. The young cooperative hopes to secure enough members before harvest to assure the delivery of from 400 to 500 cars. However, it is stated that a large volume of business is not to be sought at the beginning of operations, and that the association is after "quality members rather than quantity."

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KANSAS EQUITY EXCHANGE MAKES PATRONAGE REFUND

A net profit of \$37,718 for the year 1925, was reported at the recent annual meeting of the Bird City Equity Mercantile Exchange, Bird City, Kansas, on a total business of \$757,100. Rebates to members amounted to 7-1/2 cents per bushel on wheat, and about 50 cents per hundred pounds on hogs sold during the year. Two hundred twenty-one cars of grain were shipped and 61 cars of livestock, while purchases included 23 cars of lumber, 14 of coal, 16 of brick and tile, 16 of implements, 9 of cement, and 9 of other supplies, a total of 148.

This exchange was organized in 1913 and has nearly 200 members. Business is also transacted with non-members.

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MARKETS VERMONT MAPLE PRODUCTS IN DISTANT LANDS

Total sales of \$186,147 are reported by the management of the Vermont Maple Products Cooperative Exchange, Essex Junction, for the business year ending December 31, 1925. Sales of pure syrup amounted to \$153,219, of blended syrup to \$21,286, and sales of maple products at six New England fairs to \$11,642. While the principal outlets for the maple products handled by the Exchange are in the Atlantic Coast cities from Boston to Washington, shipments are made to many parts of the world, including the Pacific Coast States, European countries and China.

The exchange is a federation of 17 local associations whose members delivered 37,445 gallons of syrup in the spring of 1925. Two subsidiary organizations have been created to assist in the marketing activities. The Vermont Maple Products Company, located in New York City has handled the wholesale business and marketed the blended syrup. Farmers' Warehouse, Inc., is the name of a new company being formed to own the equipment required for the proper functioning of the exchange. Provision has been made for issuing share capital to the amount of \$50,000.

The Exchange was formed early in 1922 and began functioning March 1 of that year. Its first season it handled 14,478 gallons of syrup.

NEW YORK HAS TWO COOPERATIVE MARKETING SCHOOLS

Two cooperative marketing schools of two days each are a part of the 1925 program of the Jefferson County, New York, Farm Bureau. These were planned by a committee from the county organization with the assistance of specialists from the State College of Agriculture. Discussion of fundamental principles and practical problems of cooperation was planned. As Jefferson County is primarily a dairying county it was decided to make the marketing of milk the topic for the marketing part of the program. All of the granges of the county were invited to send delegates.

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CANADIAN COUNCIL OF AGRICULTURE SERVES FARMERS

The seventeenth annual meeting of the Canadian Council of Agriculture was held in Regina the last week in February with representatives in attendance from the United Farmers of Ontario, the United Farmers of Manitoba, the Saskatchewan Grain Growers' Association, the United Farmers of Alberta, and the Saskatchewan Cooperative Elevator Company, Ltd.

The Canadian Council of Agriculture represents the organized farmers of the five most populous provinces, Quebec, Ontario, Manitoba, Saskatchewan, and Alberta, with a combined membership of approximately 150,000. "It was established in 1909 for the purpose of providing a channel through which the provincial farmers' organizations might combine their efforts when dealing with interprovincial and national questions." It is thus national in scope and outlook and is recognized as a body through which the farmers' organizations may express their wishes and opinions upon the large questions which are constantly arising. It is purely a farmers' organization, entirely free from government support or connection.

At the present time the membership consists of the organizations mentioned above and the United Farmers of Quebec, the Grain Growers' Guide, the United Grain Growers, and the United Farmers of Ontario Cooperative Company. Each member organization is entitled to four representatives at meetings of the council, and in addition each provincial association is entitled to five representatives, of whom at least one shall be a woman.

The council has found that in the large questions which come up for its consideration, such as freight rates, taxation, regulation of the grain trade, commercial problems with other countries, and the like, the interests of the farmers in every province are usually identical. Upon questions presented, the council acts only with unanimous consent. A majority vote is not sufficient. If the representatives of any one member body object to a measure it is not passed.



ITEMS OF NEWS REPORTED BY THE ASSOCIATIONS

A branch creamery at Mitchell, S. D., has been opened by the Equity Union Creamery and Mercantile Exchange of Aberdeen. The branch will be under the same general management as the Aberdeen creamery.

Steps have been taken by six Iowa counties for combining the local livestock shipping associations into strong county organizations functioning under the leadership of the Iowa Cooperative Livestock Shippers' Association, Des Moines.

More than 10,000 tons of fertilizer have been ordered for farm bureau members this season through the purchasing department of the Tennessee Farm Bureau Federation. During the heaviest week more than 200 car loads were delivered.

Milk and cream delivered by the Modesta and Stockton plants of the Milk Producers' Association of Central California, by the 1,800 members and 400 other patrons, made it possible to transact business amounting to over \$3,000,000 in 1925.

At a get-together meeting of the Farm-Labor Union Cooperative Gin, Childress, Texas, on March 6, rebate checks to the amount of \$20,000 were distributed to the members in proportion to their patronage. These checks ranged in amount from \$3 to \$800.

A number of schools to teach the grading of broomcorn have been held at Oklahoma points during the past two months under the auspices of the Broomcorn Growers' Cooperative Association, Oklahoma City, and officials of the State Market Commission. These schools have lasted three days each and opportunities have been given for the discussion of vexing problems.

At the December meeting of the board of directors of the California Almond Growers' Exchange, San Francisco, it was voted to redeem the suspense certificates issued in connection with the marketing of the 1922 crop and to deduct 5 per cent of the net proceeds of the 1925 crop for the purpose of providing working capital. Growers will be paid five per cent interest on the amounts deducted.

Fifty-seven cars of certified, white, seed potatoes have been distributed by the Louisiana Farm Bureau Purchasing Department, Baton Rouge, to growers throughout the state, at moderate prices. Other purchases include 12 cars of high-grade cottonseed, 16,500 tons of acid phosphate, 5,000 tons of nitrate of soda, 20 cars of cottonseed meal. One parish reports that on purchases through this department in 1925 amounting to \$144,794, savings of \$24,893 were effected.



SELECTED LIST OF PUBLICATIONS AND ARTICLES

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A portion of the history of the Farmers' Mutual Insurance Company of Nodaway County, Missouri, as related by a pioneer.

Boyle, J. E. Are We Marketing Wrong End To? In Farm and Fireside. New York. April, 1926. p. 3.

Erdman, H. E. The New Style in Cooperation. In Pacific Rural Press. San Francisco. March 6, 1926. p. 301.

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Hedges, Harold, and H. C. Filley. Cooperative Marketing of Livestock in Nebraska. Lincoln. Univ. of Nebr., Coll. of Agr. Bul. 209. 1925. 38 pp.

Hensley, Harry C. The Non-Profit Cooperative Marketing Act of 1923. Columbia. Univ. of Mo., College of Agr. Circ. 159. 1925. 16 pp.

Holman, R. A. Stay by the Local Co-op. What it Means to be Without a Farmers' Elevator. In Wallace's Farmer. March 12, 1926, p. 396.

Lloyd, E. A. The Cooperative Movement in Italy. London. The Fabian Society. 1925. 136 pp.

A descriptive account of the three unique types of cooperatives developed in Italy, agricultural societies, labor societies, and industrial productive societies.

McCartney, H. E. A Cooperative Poultry and Egg Market: They Get Quality Prices for Quality Eggs. In Successful Farming. Des Moines. April, 1926, p. 5.

Steen, Herman, and Bill Stahl. When Co-op Fails, Then What? Reasons for Suspension of Dark Tobacco Growers. (Article No. 2) In The Farmer. St. Paul. March 27, 1926, p. 552.

The Over-Production Menace: Pools Must Learn to Adjust Production to Demand. (Article No. 3) In Wallace's Farmer. March 26, 1926, p. 484.

Weed, A. R. How Ohio Cooperatives Sell Milk: The Buckeye State is a Veritable Experiment Station in Cooperative Milk Marketing. In The Dairy Farmer. Des Moines. March 15, 1926, p. 14.

IN THIS ISSUE

Poultry products:	Page
Cooperative marketing of eggs increasing.....	157
Minnesota creamery handles eggs and poultry.....	158
Manitoba cooperative markets eggs and poultry.....	158
Dairy products:	
Wisconsin Cheese Federation makes report for last year.....	159
Minnesota cooperative improves quality of product.....	160
Grain:	
Over half billion bushels of Canadian grain marketed.....	161
Cooperative grain sales agency for the Southwest.....	163
Northwestern agency to sell grain on terminal markets.....	163
Fruits and Vegetables:	
Jersey exchange sells potatoes and buys fertilizer.....	164
Cotton:	
North Carolina Cotton Association preparing exhibit.....	165
Four cotton states beginning new sign-up campaigns.....	165
March distribution for Texas cotton growers.....	165
New Mexico has two new cotton associations.....	165
Wool:	
New weekly for Western wool growers.....	166
Reduced cost of marketing wool for New York growers.....	166
Market information given to Idaho Wool Growers.....	167
Ohio association sells wool for three states.....	167
Tobacco:	
Burley association marketing fifth crop.....	168
Legal:	
Louisiana Supreme Court decides against cooperative.....	169
Miscellaneous:	
Colorado Bean Association preparing for business.....	172
Kansas equity exchange makes patronage refund.....	172
Markets Vermont maple products in distant lands.....	172
New York has two cooperative marketing schools.....	173
Canadian Council of Agriculture serves farmers.....	173
Items of news reported by the associations.....	174
Publications:	
Selected list of publications and articles.....	175